CONSUMER PRODUCT SAFETY COMMISSION

HEARING

BEFORE THE

SUBCOMMITTEE FOR CONSUMERS

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

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CONSUMER PRODUCT SAFETY COMMISSION

TUESDAY, DECEMBER 1, 1981

U.S. SENATE,
SUBCOMMITTEE FOR CONSUMERS,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, D.C.

The subcommittee met at 10 a.m. in room 235 of the Russell Senate Office Building, Hon. Robert W. Kasten, Jr. (chairman of the subcommittee) presiding.

OPENING STATEMENT BY SENATOR KASTEN

Senator KASTEN. Good morning.

Today the Consumer Subcommittee will review the activities of the Consumer Product Safety Commission.

During the past several months since the agency's reauthorization and the confirmation of Nancy Harvey Steorts as its new Chairman last April, our committee held 4 days of intensive oversight hearings to reexamine the need for the Commission and to review all aspects of the agency's enforcement, research, and standards-setting activities.

These hearings demonstrated that while business and consumer leaders supported the reauthorization of the agency, and also a continued Federal role in improving product safety, reforms were necessary to increase the agency's effectiveness.

As a result of these hearings, I sponsored legislation which was later enacted into law as part of the overall Budget Reconciliation Act, which extends the programs of this important consumer protection agency for 2 years, while instituting reforms designed to restore the balance in Federal regulation of product safety.

In addition to statutory reforms, the Commission has sustained a 26-percent cut in its budget for 1982. These budget cuts are going to require the Commission to rely more on industry self-regulation to eliminate needless overregulation and to take a closer look at its regulatory priorities in deciding how best to carry out its statutory mandate.

I believe, under the leadership of its new Chairman, Nancy Steorts, that the Consumer Product Safety Commission is already beginning to change direction toward a more balanced and more effective regulatory agency.

While we understand that the Commission is still in a process of adjusting to budget cuts and also in implementing the recent legislative changes, the subcommittee is interested in reviewing the agency's progress at this time, and hopes to conduct a periodic review of the agency's activities at regular intervals throughout the next 2 years.

So, with that kind of brief statement, we're looking forward to hearing the Commission's testimony this morning. And we felt that it would be most appropriate to have Nancy Steorts, Stuart Statler, Edith Sloan, and Sam Zagoria. David Pittle, I understand, is not able to be here—but we invited the entire Consumer Product Safety Commission to appear before us.

My understanding is that, Nancy, you've got a brief opening statement and then that all of you will be available for questions from the subcommittee.

So, if you could go ahead, Nancy, I would appreciate it. Welcome and greetings.

STATEMENT OF NANCY HARVEY STEORTS, CHAIRMAN, CONSUMER PRODUCT SAFETY COMMISSION, ACCOMPANIED BY STUART STATLER; EDITH BARKSDALE SLOAN; AND SAMUEL ZAGORIA, COMMISSIONERS

Ms. STEORTS. Thank you, Mr. Chairman, and good morning. I would like to introduce the members of my Commission. At my far left is Commissioner Sam Zagoria; Commissioner Edith Barksdale Sloan; and Commissioner Stuart Statler.

I express to you the regrets of David Pittle, who unfortunately is not able to be with us this morning because of a death in his family.

It is a pleasure to appear before you today to report on the developments of the Consumer Product Safety Commission since I assumed the Chairmanship on August 4 and to tell you some of the new directions the agency is taking. Despite having fewer people and dollars, the Consumer Product Safety Commission will fulfill its statutory mandates.

Each year there are 28,000 deaths and 33 million injuries involving consumer products. The annual cost of these injuries may exceed $12 billion. This toll is too high.

In the past 4 months, I have begun, with my fellow Commissioners, to chart some new directions for the Consumer Product Safety Commission.

The Consumer Product Safety Commission today must continue to protect the consumer, but must do with less money and with less manpower. This is a real challenge—and one we will meet. We are finding new and more efficient ways to reduce or eliminate unreasonable risks of injury associated with consumer products. One important new way is an increased emphasis on cooperation among government, industry, and consumers.

The fiscal year 1982 budget—$33 million, as authorized by the Congress—is approximately 25 percent less than CPSC's original budget request. Nevertheless, I believe we can do our job at the $33 million mark. However, to do so, we must manage our resources more efficiently.

When I came to CPSC in August, I appointed a management review team, comprised of government experts from both inside and outside the CPSC—at minimal cost to the agency. This group was asked to review CPSC's structure, to assess the impact on CPSC of the recent congressional budget cuts and of legislative changes, and to make recommendations to the entire Commission.

After thorough analysis of the management review group's recommendations, the Commission voted unanimously to minimize the impact of the budget cuts on the programs by:

One, freezing all but emergency personnel actions.

Two, accelerating the implementation of the necessary reduction in force, for a savings of approximately $420,000.

Three, eliminating the Directorate of Communications and the Directorate of Field Operations.

Four, establishing a new Office of Public Affairs to develop national programs on product safety.

Five, reducing the number of field offices from 13 to 5, and having them report directly to the Executive Director. These regional offices will implement Commission policy and programs at the local level.

Other cost-saving measures that have been adopted include:

Six, co-location: Several of our resident posts have been co-located with the Food and Drug Administration. The Southwestern region has already submitted a savings of $19,000 because of this co-location effort. The other regions are being encouraged to do the same.

Seven, space consolidation: We are moving a large number of our headquarters staff from our downtown offices to our lower-cost Bethesda office location. By effective use of space layouts and individual space assignments, we are able to give up two floors of space in Washington and two floors of space in Bethesda. This will effect a savings of $1,305,000 over the next 2 years.

Eight, contracts: We have cut back or eliminated over $2 million in contracts or projects. While this will delay some of our work, we are continuing to concentrate our resources on the most important projects.

Nine, printed materials, travel funds, cash bonuses, newspaper and magazine subscriptions have been reduced or eliminated.

By these means, we will be able to keep our spending within our budget level. We will continue to make management economies throughout the year. If we should need to make additional cuts, the Commission would adopt a furlough plan for employees. We hope, however, that this traumatic measure will not be necessary.

As I stated earlier, the challenge that the Commission faces is to continue its programs to protect consumers while spending fewer taxpayers' dollars to do so. We have made a number of important programmatic strides in this direction, and I would like to tell you about some of them.

In the Consumer Product Safety Amendments of 1981, Congress directed CPSC to defer to industry voluntary standards when they would adequately protect the public. The Commission has worked with industry in the past to encourage voluntary standards, and now, more than ever, it is demonstrating its commitment to voluntary standard development.

On October 21, 1981, the Commission voted unanimously to defer consideration of a mandatory standard and to continue working with upholstered furniture manufacturers in their voluntary effort to develop furniture which resists ignition by cigarettes.

In its statement, the Commission said:

By this cooperative working relationship the Commission acknowledges the efforts that UFAC, the Upholstered Furniture Action Council, has made and encourages manufacturers and retailers to participate in the goals of the program.

CPSC staff will actively assist UFAC. We have a long way to go to reduce the approximately 1,200 annual fatalities associated with cigarette ignition of upholstered furniture, but the American public stands to gain tremendously from a genuine, committed industry effort to solve the problem. It is up to the industry to show they can do it.

CPSC has shown that it is willing to cooperate and help industry. We hope that this one industry's effort to solve a serious problem will succeed, and that it will set a model for other industries.

The Commission has also been working cooperatively with industry on voluntary standards for several other consumer products, including kerosene heaters, ladders, electric blankets, miniature Christmas tree lights, high chairs, and infant strollers. We will continue to work on these efforts because when they are successful, the result is greater safety for consumers.

We will also continue to stress our section 15 recall program—a cost-effective means of getting unsafe products off the market quickly. Under section 15(b) of the CPSA, industry must report potentially hazardous product defects to the Commission. These reports, as well as information from other sources, are reviewed and evaluated by the Commission staff.

If corrective action is warranted, the staff asks industry to take steps voluntarily to remove the hazardous products from the marketplace and from consumers' hands. Section 15's value has truly been proven. Of 1,083 corrective action plans, all but 12 have been voluntary agreements. We will continue to encourage industry to report suspected defects and to work out voluntary plans with us. We are now putting more emphasis at the Commission on section 15 and just last week we instructed the Compliance Directorate to make an oral report every 30 days to the Commission on section 15 activity.

However, I want to make it clear that while we will try as hard as we can to work with industry on voluntary standards and voluntary section 15 actions, if these voluntary efforts do not work, we will employ wherever necessary, the other tools that Congress has given us including mandatory standards and bans and issuance of complaints if necessary. Our mandate at the Consumer Product Safety Commission is to protect the public from unreasonable risks of injury associated with consumer products—and we will do what we have to get the job done.

Let me turn now to another kind of voluntary cooperation among CPSC, industry, and consumers that I am particularly interested in encouraging—the promotion of product safety through better information to consumers. Consumers want product safety information today, and Government and industry both have an interest in providing it. Government cannot and should not try to do this job alone.

This is one of the goals behind the Commission's recent reorganization of our information and education program. Information and education are important components of our overall safety program. I think we must, however, come up with creative ways to do more

with less in this area. We no longer have the resources to provide materials and publications the way we did in the past. We have to reach out to other groups who will help carry the safety message to consumers. To this end, our reorganization will allow us to do the following things:

One, target specific audiences that will benefit most from our product safety efforts by working through consumer, education, and business groups and State and local officials.

Two, encourage and cooperate with industry efforts to provide safety information to the public.

Three, share the cost and the work of producing and distributing I. & E. materials with industry and other groups concerned with the agency's mission.

Four, conduct outreach at both the national and local level in order to enlist outside organizations and individuals in our communications effort and have them expand our ability to get our message to the public.

Let me give you examples of what we mean by this.

During the last year the Commission staff prepared and published a very successful two-volume handbook which details how public playgrounds and playground equipment can be made safer to help reduce an estimated 90,000 to 100,000 injuried each year. The handbooks have been made available to all State Governors as well as other State and local officials, parents, health care and academic professionals and many consumer groups interested in playground safety.

Just recently, we learned that the superintendent of public instruction for the State of Washington has reprinted 1,000 copies of the handbooks and distributed them to school districts within the State. We shall try to encourage more of these efforts where the Commission can provide technical guidance and expertise and the local policymakers and officials can then reach out to consumers with the safety message.

Another exciting cooperative venture which will carry the safety message far beyond what CPSC could do with its own limited resources is one in which I hope all of you are participating. Through the courtesy of Senator Thurmond, and with the help of Mrs. Thurmond, an invitation was extended to all members of the House and Senate to take part in a nationwide toy safety campaign sponsored jointly by CPSC and the Toy Manufacturers of America. The press conference and kickoff of this campaign will be here on the Hill, Friday, 11 o'clock, in the Dirksen Building, room 1202, and I hope that both of you will be able to join us.

This is an excellent way to provide information that consumers will use at this holiday season. Congressional members will be able to provide a service to their constituents; we are getting our message of safety into every city and community in the Nation; and the toy manufacturers are showing that a concern for safety is good business.

In recent weeks the Commissioners and I have talked with a number of executive officers of major manufacturing companies and with consumer affairs executives of corporations. My message to them is that CPSC wants to work with them on joint cooperative safety efforts. We believe we must encourage industry to expand

educational programs of many kinds—about safe operation of products, about regulations that insure the safety of products; about the need to encourage consumers to read product labels; about the need for industry to make these labels understandable to the consumer; about prevention of injuries or poisonings from certain inherently dangerous products; and about corrective action after an injury or poisoning occurs.

I have urged cooperation in my meetings with the Outdoor Power Equipment Industry, with manufacturers of walk-behind power lawnmowers, rugs and carpets, and CB antennas, and I continue to stress it as I meet with representatives of other industries. I am convinced that voluntary efforts by industry can lead to a decrease in product-related injuries in this country.

Our emphasis at CPSC on voluntary standards and other forms of cooperation with industry and the strong cooperative information efforts we are developing among business, consumers and Government are important new directions for CPSC. We expect that these voluntary cooperative efforts will be effective and that they will stimulate product safety, and we as a Commission will work closely with industry and consumers to make this happen.

But let me underscore again, that while we want to work cooperatively with industry, if voluntary programs do not work, we will have to move to mandatory activities. And we will. Our goal is to reduce injuries and death associated with consumer products and to eliminate the needless suffering and wasted dollars that result. The American public will judge us by how well we do that job. We can and will do it well.

Thank you. We will now as a Commission be happy to answer any of your questions.

I would also like to say that we have with us our acting General Counsel, Margaret Freeston; Rick Tinsworth, who is our Budget Director; and Kirke Harper, who is our Acting Executive Director. They will also be available to answer any questions you might have.

Senator KASTEN. Thank you.

As you have stated, you're putting the carrot out, but you're making the point that you've still got the stick. And I think that that's important.

You are pointing out that if the voluntary efforts do not work, you will employ wherever necessary the other tools that Congress has given you, including mandatory standards.

But I've got to say that I applaud your efforts in trying to work toward voluntary standards and work toward more cooperation. I don't know whether there are any other prepared statements that you all have?

I know it's not something that you all agree with, but I'm interested in getting your candid opinions as to how you are able to deal with these budget cuts. This was a tremendous budget cut that the Commission has had. And Sam, I know that section 15 recalls is something that you have been interested in personally, that you have followed carefully. Edith and Stuart, I don't know what you think—but I'd like just your candid opinion, and we'll just start with Sam, in terms of the ability of the Commission to deal with the problems of cuts. I honestly want you to be frank.

We met the problems of the budget cuts. We came in with a cutback. What are we giving up? What are we sacrificing? Or are we able to do a kind of basic job?

I'm not asking for a political answer. I want to get a sense of what you think we're gaining, what you think we're losing. And honestly, I think it's fair to say that the same kinds of questions are going to be raised in all Government agencies right now. We are just seeing a change, a trend, going in a direction that's different from the direction that we've seen over the past 5 or 6 years. And I want to get your kind of candid opinion.

If we can just start, maybe, Sam, with you and work across and see how we're able to do.

Mr. ZAGORIA. Well, I'm glad you put it that you wanted a frank answer.

Senator KASTEN. Yes, I do.

Senator FORD. He also said honest.

Mr. ZAGORIA. He said honest. I'm glad he excluded a political answer. That takes all the restraints off.

Senator KASTEN. We're not answering the question up here. You answer it down there.

Mr. ZAGORIA. The 26-percent budget cut has so many ramifications it's hard to find any corner of this Commission or its field offices that are untouched. And the impact is sometimes a rather subtle one when you're sitting there in judgment of an issue and trying to determine, shall we go information/education, shall we go with a voluntary industry program, shall we go and issue a complaint and go through the whole recall process, or shall we go for a mandatory standard.

When you begin to realize the number of dollars that are involved in carrying through the heart of those steps, it begins to impinge on the decisionmaking. Whether you recognize it consciously or not, you're likely to take something that is within reach, within the budget limits, rather than something that your conscience may tell you is really the thing that ought to be done in a particular case.

I think one of the reasons why several of us have embraced the idea of increased emphasis on voluntary programs, on information/education, is that that's reachable within the budget limits, but it doesn't necessarily mean that it's the best way to deal with the problem. There are a lot of very defective, hazardous products out there that we are not going to be able to do an adequate job on because our resources have been reduced. We've the technical people who can point out the hidden hazards that no consumer can recognize for himself. We've lost the compliance people who can go out into the stores and make sure that when a company says it has recalled a dangerous product, it actually has done so in all the markets that it operates in.

I got that yellow light ——

Senator KASTEN. That's my yellow light. But I'm going to break the rules; I'm going to let each of you answer this question. Then I'm going to allow Senator Ford to ask questions, and he can break the rules, too.

Senator FORD. We'll be here for awhile.

Senator KASTEN. We'll go back and forth. But I want you to continue with your overall—it's my understanding that, what, roughly 30 to 40 percent of the technical people have been lost. It's not as if we've lost all the technical people or we've lost all the compliance people, is it?

Mr. ZAGORIA. No, no. I didn't mean to say that. Some of the best ones are sitting right behind us, and I'm glad they're still with us. But a lot of the people they have to count on to look into the scientific studies and try to make some sense when the studies don't agree with one another, the kind of people who have to stand opposite some highly qualified, highly paid experts from industry who are arguing the opposite side of the question, we are limited. We don't have the kind of people that we used to have.

And if we continue to suffer budget cuts every year, we're going to have fewer and fewer of those. And that means, to have the title of the Consumer Product Safety Commission may be an empty kind of thing.

I would be delighted if there is time and inclination to take you through a case that we are looking at that involves a recall where I'm inclined to believe that we ought to take a much stronger stance than we have taken, but I'm sure that the budgetary impact is one of the things that weighs on the way we're going about it. There are times that our staff will go along with a company recommendation to close a case when they know darn well that the recall has not been adequately completed. Sometimes these involve very hazardous items which, in this particular case, involved the death of one infant, and the loss of brain capability for the rest of the life of a second infant, and we have gotten back one out of every four of the products.

Now if we get only one out of four back, I don't think we've done the job. But the only way we're going to be able to do the job is to have sufficient staff to be able to go back in and require that a company lives up to its obligation to put only safe products out on the market for American citizens.

Senator KASTEN. I want to give everyone a chance to respond to this question. But are you suggesting, Sam, that maybe we would have been better off in cutting more, say, in the regional offices and less in the technical and the compliance people?

You know, to begin, we're not going to change the direction in terms of budget cuts which have come all across Washington, every single agency, and that's what's happening. That's the result of the situation we find ourselves in. We're not going to turn that back.

Mr. ZAGORIA. But it's all interwoven. You know, when I talk about a recall, it's people out in those area offices who actually go into the stores and make sure the product has been taken off the shelf and the new safe model is on the shelf. It's those people who go into the factory and make sure that the TRIS garments that were supposed to be segregated and kept from hitting the marketplace are actually, physically there.

Senator KASTEN. So the regional people are the people that you need?

Mr. ZAGORIA. They're very key people.

Senator KASTEN. So it's not the technical people?

Mr. ZAGORIA. We need the technical people, too. I don't know enough about formaldehyde to sit here and give a dissertation on its safety or its potential usefulness and the balancing of that. We need the technical people. We need the Peter Preusses and the staff that he has assembled. And the regret that I have is that as we nibble away on that kind of staff, we're putting away longer and longer the coming to grips with some very difficult issues.

During that time, there are going to be a lot of people—they may be my kids or my grandchildren—who are going to come down with the kinds of injuries, diseases that don't show up for 20, 25 years, because we didn't have sufficient funds to keep that staff together. I regret very much that we sent up a budget for the next fiscal year which didn't even meet the amount of money that was in our authorization. We were authorized $35 million; we sent up a budget that really is a $33 million one with some—what was the word—"enhancements" of another $2 million.

Commissioner Sloan and I opposed that. We wanted to go for at least as much as those members of Congress, who wanted the Commission to continue in full force, tried to get for us. And when given the opportunity again, I will make a plea for the full $35 million that's in the authorization, because we need it.

Senator KASTEN. Let's try to move down. Edith, if you could also make just kind of a brief comment as to this. It's a little bit frustrating answering this question, I understand, but it's a given that we're going to deal with this budget cut. And I understand that there are going to be certain programs and certain things that have been cut back.

The question really that I think the subcommittee is concerned with is, are you able to basically carry out your function, and how are you adapting to the overall change. Most of you were part of this Commission before I became a U.S. Senator, and so you know more about it than I do. But the fact is that it's a different time, and we're going to have cuts. And the question is, how are we adapting to those cuts?

Ms. SLOAN. I guess I am beginning to feel like Dr. Pittle.

How do your light systems work?

Senator KASTEN. The lights were timing me, and I used up my complete 5 minutes on Sam, so you don't have to worry about it. But if the lights start going on again, I know we're in trouble.

Senator FORD. If they start flashing, then we're in trouble.

Senator KASTEN. But the idea is that every member of the committee is allowed 5 minutes, and we just keep rotating back and forth, but because we don't have a full group here today, I just wanted to get through one set of questions and then I am going to defer to Senator Ford.

Ms. SLOAN. Right. But to answer your question, Senator, I think that we can indeed do the job, but our reaction time will be much slower. There's no way that you can react with all deliberate speed when your staff has been cut 30 percent.

I think that the 30-percent cut in the staff was even more harmful than the 26-percent cut in the budget allocation. If we were able to keep even 15 percent more of the 30 percent, if we had been able to keep half of that, we would have been able to do much more work in house, but when our staff is cut—and I think it's—

correct me if I am wrong, but it's approximately 30 percent. That's when we were really hurt, because, as Sam mentioned, we are not able to do as many in-depth investigations. That means that we won't have as much proof—and the proof is in the pudding.

Senator KASTEN. It means you won't have as much what?

Ms. SLOAN. Proof of the hazard in the marketplace, because you won't have the facts. These in-depth investigations were very important. We relied on bodies to go out to homes to talk to the people to see the evidence firsthand. Now it has to be through a telephone call or just a written report, or even a newspaper article, and that certainly isn't adequate.

I think that while we will be able to continue with many of our programs, there will be fewer hazards that we will be able to handle at one point. We might have to cut back to the point that we will only be able to handle perhaps 10 hazards in 1 year, and there are many hazards out there. When you have 30,000 people being killed and 30 million persons being injured every year, that means there are a heck of a lot of hazards out there—which we simply won't be able to look at for years into the future.

So therefore, we will have to rely on the industry to be more straightforward, forthcoming with their own safety programs. I think probably one of the best industry sponsored programs that I am aware of this year is with the toy manufacturers. They have now on the various electronic media, television and radio, commercials warning parents of the various types of—not warning them, but cautioning them as to how to buy toys, to consider their children's ability, age, and so forth, and not to permit smaller children to play with older children's toys. This is the sort of thing that we are going to have to look forward to from industry. They are going to have to come voluntarily.

We simply don't have the manpower to do what we did in the past, and while we would hope that the States and the cities would take up a lot of the slack, they, too, will be hurting for resources, for persons, for money. So, therefore, it will be indeed bounced back to the private sector. And without their help, there will be a big gap; there's no doubt in my mind.

Senator KASTEN. So in a way, it's fair to say that the ball is in their court.

Ms. SLOAN. The ball is in their court.

Senator KASTEN. If they do it well, and they demonstrate an ability to act and to react in a responsible manner, that we're going to be in basically sound shape— but if they fail, then the pendulum is going to swing back and we're going to see the kind of regulation, or, I should say, even more regulation than we have seen in the past, because of possible problems or lack of responsibility on the part of the private sector.

Ms. SLOAN. And I hope they realize this, because I think many of them want more industry sponsored programs than in the past, that they wanted less Federal regulation, and they have their wish. And now they have to, as we say in my community, put their money where their mouths are, and do something about it.

Senator KASTEN. Stuart?

Mr. STATLER. My own impression is that there is probably not a Government program or a Government agency that could not have

been cut to some extent. There is always fat in every Government program. I believe our own agency probably could have absorbed some degree of cut, perhaps 5 percent, perhaps 6 or 7 percent, perhaps as much as 10 percent.

But when we are talking about a cut on the order of 26 percent, with the prospect of Congress, through the continuing resolution, cutting another 4 percent, which would make our cut 30 percent, then you're talking about an almost mortal wound to an agency whose mandate is to protect the public against unreasonable risks of injury, against death. This is not a matter of protecting the public in terms of their property rights, with respect to warranties or guarantees. This is people's lives we're talking about. I brought an article that appeared over the weekend—"Family Suffocated by Gas Heater Leak." A family of five from West Virginia died. Three weeks ago, six people died in Louisiana from the same problem. This is a problem we are regulating. We will have a regulation by the middle of this year that will take care of precisely this problem.

But this is the kind of problem, and there will always be similar problems to this—dangerous products that are out on the marketplace that manufacturers have either left there or that they themselves are not aware of how dangerous they are, that in the future we will not be able to investigate. Why? Because we have mortgaged part of our future. That is to say, by focusing, as we must, now, with tightened funds, on the immediate needs of the present, we are not doing much of the work that we have done in the past to seek out those kinds of emerging hazards, those kinds of problems that will be with us, if they are not here now, next year, or 2 years or 5 years hence.

And so much of the outstanding work of this Commission in siphoning out hazards will not be there. We can't conduct the investigations—I don't know if we have enough funds to send an investigator out to West Virginia even, to be able to look into this situation. That's how the money crunch has hit us. When you cut almost one-third, and you're talking about laying off, as we have now done, 150 of what was 900 employees, and losing another 50 through attrition, such that we're now down to about 650 from an agency of 900—we just can't perform in the same way that we did in the past.

And the American public has to understand that. We have suffered a hurt. We have suffered a wound. We have suffered a debilitating blow. And, if the American public expects that the products they have in their home and around the home and that their children use and that they use in recreation are going to be safe, I can tell them right now that they will not be as safe in the future, because the monitoring agency that they expect is out there looking into the safety of these products is not going to be able to perform in the way it has in the past.

I suspect as a result of these budget cuts to this agency on the order that we have suffered them, that there will be additional hundreds of people killed each year and additional thousands of people injured. That's a fact of life that we have to live with.

I think we could have performed as well as we had in the past with a more moderate cut, by cutting out some of the inefficiencies.

But at this point, we have gone beyond the pale of what's reasonable in terms of budget-cutting that makes sense.

At this point, it becomes counterproductive, I think, to carry out still further cuts on top of what we have already endured. I must say there is an unspoken element that's involved in all this, and that is the morale. People who have been doing outstanding jobs, staffers, particularly young staffers, women who had been brought into the agency, and minorities who had been brought into the agency, in recent years, those are the first to go when you have a RIF.

So we have lost some of our most envigorated people, the people who gave us the greatest esprit by virtue of the fact that "there but for the grace of seniority go I." That is to say, the older people, the ones who have seniority, stay on in a RIF.

Senator KASTEN. That's happening governmentwide. That's not something that's unique, necessarily, to you.

Mr. STATLER. That's happening governmentwide, but it has to be understood that this is happening in all agencies, including CPSC, and the morale in this agency is suffering as a result of these cuts.

Senator KASTEN. Nancy, could you make a brief comment as to how you are dealing with these things?

Ms. STEORTS. I agree with my fellow Commissioners, but I would say, Senator Kasten, that one of the things we have tried to do through the management review team about absorbing the cuts is to cut as little as possible from our programs and make the cuts through streamlining the agency.

I would like to say in conclusion that the Consumer Product Safety Commission can really take no further cuts. We need to work with you and with OMB to see that we don't get any further cuts, because we are really at the bare bones level. I think that we can do a job well at $32.9 million. We could, of course, do a much better job at a higher figure. But that's the political reality of it.

But I would say as chairman, and I think the other Commissioners would agree, that we are doing everything in our power to cut and streamline management so that we can keep the programs that are going to be effective for the consumer.

Senator KASTEN. Senator Ford?

OPENING STATEMENT BY SENATOR FORD

Senator FORD. I thank the chairman. I compliment him on starting on time, since I was just a little bit late. You were already into the program here. Since you have taken a little time, I am going to also, and will give my opening statement, and then move into some of the questions.

I want to thank the chairman of the subcommittee for scheduling the hearing today at my request. Shortly after Chairman Steorts took over the Consumer Product Safety Commission, allegations were made in the press and elsewhere concerning some of her administrative actions. I believe now, as I did then, that it is important that the Chairman have the opportunity to explain or deny these allegations in a public forum, in hopes that she can get on with the business of running the agency effectively.

I think that this oversight hearing is particularly important 4 months into Ms. Steorts' tenure at the Commission for other rea-

sons. The administration that nominated Ms. Steorts for this position has succeeded in getting Congress to approve a 26-percent cut in the agency's $45 million budget. The administration also urged Congress to abolish the agency altogether, arguing that, quote: "The public benefits likely to be secured by the agency in the future are not likely to exceed the cost." There is no question that the budget cuts have had a tremendous impact on the agency's actions. The Consumer Product Safety Commission had to cut, I think, 100—my figures are 145 employees, from a 728 permanent member work force, and has dropped many ongoing investigations.

Today we will discuss the impact of the budget cuts with the members of the Commission. I will also repeat, Chairman Steorts, questions that you did not answer at your nomination hearing, because you wanted to have firsthand experience at the agency, and I will repeat those questions today.

We will want to know your priorities and how the agency can work within the reduced budget to achieve the greatest benefits to the consuming public. Mr. Chairman,the situation today is this: The American public walks into a store and buys a product, expecting it to be safe, because "Big Brother" has been looking after him for a long time. They don't even question it anymore.

And let me just say this: The comment has been made, that if you go below the current CPSC budget figure you might as well get out of business. Well, we are looking at the possible demise of the Consumer Product Safety Commission, the Department of Education, the Energy Department, and the demise of a lot of programs. At some point, I believe the heels of Congress will be dug in, representing the consuming public, to stop some of the demise of some of our agencies.

I believe the Government wants an effective Government. I don't believe they are looking for no Government at all. So one of the important statements that have been made so far this morning, I think, is the fact that a great deal now depends upon management in the industry and how good a job they do.

You know, I have heard quite often that regulations are staggering the industry, and now we see the Federal Government reevaluating this regulatory burden and I am in agreement with that. Industry also said that it had so many taxes to pay that it couldn't continue to increase its dividends annually. Industry has been living off of capital since the mid-1960's, and now we see where we're paying for their capital investment with a tax cut. At some point, we may have a management crisis, and Sam, I think that's what you were saying, that there may be a reaction to this. And I am not sure, but it may come sooner than we think.

So with that little opening statement, I will take a few minutes, Mr. Chairman. Any time you want to stop me, you're welcome to stop me, and then I will come back after you get through.

Madam Chairman, in the statement you made before this committee at your nomination hearing, you said, and I will quote: "I will expect and demand personnel to be productive, will expect tight cost control on agency expenditures." But some press articles reported that you redecorated your office at a cost of over $10,000, and suggested that this was a particularly unwise expenditure in an era of tight budget or budget restraints, particularly in light of

the huge budget cut the agency had undertaken. The redecoration was also contrary to the administration's policy for its people.

Would you provide information as to specific expenditures and total cost for the redecoration, and explain the necessity for this answer to the committee?

Ms. STEORTS. Yes, Senator Ford. May I just say that as far as the decorating of the office is concerned, when I came into the office, it was in need of cleaning and maintenance.

I will provide specific figures for the record. I had discussed this with the Executive Director and with our Budget Director. They said it was appropriate to paint the walls; to put in some carpeting, because the carpeting had been very badly stained, and the stains had not been able to be removed; and to put up some appropriate draperies.

This was done for the Chairman's office, six other offices, a conference room, and for the reception area. It was really maintenance. The work had not been done since 1976. No furniture was bought. And I would like to say that it was not done with any funds from 1982, but it was done with funds from 1981.

My General Counsel told me just before we came in that it was around $5,000 to $6,000, but we will give the specific information to you for the record.

Senator FORD. I have got the requisitions here, and the payments, and it exceeds that amount considerably.

Ms. STEORTS. If I may provide that to you for the record, I will be pleased to.

Senator FORD. If you will provide your copy for the record, I'd appreciate it, and see if it coincides with mine.

Ms. STEORTS. Yes, sir; I will.

Senator FORD. Madam Chairman, is there anything wrong with turning back funds to the Treasury that are unexpended?

Ms. STEORTS. There certainly is not. We turned back, I believe, around $400,000 in funds.

Senator FORD. This would make 412,000, or 415,000 or 406,000 that you had returned, instead of that amount, would it not, if you hadn't used or expended the funds?

Ms. STEORTS. I don't know the specific figure.

Senator FORD. There is a thought throughout agencies that when you get to the close of the fiscal year, if you have got a little money, spend it, and that indicates to find ways to spend money, rather than to find ways to save it.

Was your department—did you check and see if they had all the filing cabinets your employees needed before the close of the fiscal year? Did they have all the necessary tools to make them efficient employees of the department before the end of the fiscal year?

Ms. STEORTS. I don't know, Senator Ford, specifically what was done, but we did turn back between $400,000 and $500,000 to the Treasury.

Senator FORD. I am just wondering—what I am getting at is if you spent that kind of money for refurbishing to make life more comfortable, couldn't it have been just as well to scrutinize the office and see if the expenditure of that kind of money couldn't have made your office staff more efficient, maybe, if they needed filing cabinets or they needed publications for information back-

ground, they could have been purchased? It seems that would have been a wise expenditure.

Ms. STEORTS. Yes. We did. As a matter of fact, we did order publications using 1981 funds, that could not have been ordered under our 1982 budget. We did an analysis of all of our field offices to see which they considered were the most important brochures and publications, and these were ordered, so that they will have them for 1982.

Senator FORD. Madam Chairman, how many consultants have you hired, and what are they contributing to the agency?

Ms. STEORTS. Senator Ford, when I first came on board, rather than hiring permanent staff, while we were analyzing our programs, I did hire three experts who would give us special expertise. Those people did do that. I no longer have any consultants on board at the Commission. One of the consultants was brought in most specifically to handle our space study.

Senator FORD. Space study?

Ms. STEORTS. Yes; he did an objective study of the agency's space situation. It was a very thorough, objective analysis, both of the Logan Building as well as the Westbard Building. As a result of his recommendations to the Commission, we are able to save $523,000 in fiscal year 1982 and $782,000 in fiscal year 1983. His work was truly complimented by the other commissioners. He is no longer on board. His work as a consultant is finished.

Senator FORD. Was it his recommendation to move out of your present space and go out into Maryland?

Ms. STEORTS. Yes, it was.

Senator FORD. That has been a recommendation for a long time.

Ms. STEORTS. He had several recommendations which were thoroughly analyzed by the Commission, and what we decided to do was up two floors of Westbard and two floors of Logan, and we are reallocating the space of our employees.

Senator FORD. What were the other two consultants?

Ms. STEORTS. One other consultant was to handle media relations. Since we were reorganizing our Office of Communications and putting in a new Office of Public Affairs, it was very difficult at that point to hire somebody for a full-time position to handle media relations/public affairs, because the categories were being reorganized.

Lou Brott was that consultant who was brought in to handle media relations. He is now on staff as a temporary special assistant.

Senator FORD. He is now a special assistant. Is he on a temporary basis, you say?

Ms. STEORTS. Yes, sir; he is.

Senator FORD. So he is still a consultant that you continue—he is no longer a consultant; he is a temporary employee.

Ms. STEORTS. That's right he is a temporary schedule C employee, Senator Ford, and we will be hiring a Director of Public Affairs—I have already made a recommendation to the Commission—and a Deputy Director of Public Affairs, very, very soon.

The other consultant was brought in for a period of about—I believe it was 7 to 8 days, to help us develop our initial program for working with business and industry on voluntary efforts. She is

no longer a consultant; she is now a full time special assistant to the Chairman.

I understand the sensitivity about consultants. Let me assure you, there are no other consultants at the Commission. This was only a stopgap measure, if you will, when we were first getting started. We were able to bring in expertise, utilize that expertise, and then move on with our permanent staffing.

Senator FORD. How much authority did you give the consultants when you signed them on?

Ms. STEORTS. How much authority?

Senator FORD. Yes?

Ms. STEORTS. They reported directly to me, and worked with us.

Senator FORD. Were they directing your staff as to what they should or should not be doing?

Ms. STEORTS. Under my direction, Senator Ford.

Senator FORD. Well, the OMB circular, says consulting services should not be used in performing work of a policy, decisionmaking, or managerial nature, which is the direct responsibility of agency officials.

Ms. STEORTS. They did not supervise anyone, Senator Ford; they were only advisory to me and to the Commission.

Senator FORD. Let me ask you this: although you have hired at least two of those people that you had on a consultant fee basis, I understand that there are still quite a few openings at the top—top-level positions at the agency. General counsel, maybe, Executive Director, as well as top engineering people, compliance and litigation, economics positions.

Are you making any kind of effort to fill these positions? What new staff has been brought on board since you have been chairman?

Ms. STEORTS. Staffing is a top priority for us now, Senator Ford. The director of Congressional Regulations has been hired. Most of my personal staff is in the final process of being hired. The General Counsel is an Acting General Counsel, Margaret Freeston, who is doing an extremely effective job, as is Kirke Harper, who is our Acting Executive Director. He is also doing an extremely effective job.

Senator FORD. They're all temporary, or acting?

Ms. STEORTS. Kirke Harper is Acting Executive Director, and Margaret——

Senator FORD. Are you looking for a permanent director?

Ms. STEORTS We will be looking for a permanent director, but right now I am very satisfied with the work that they do. Margaret Freeston is expecting a child in March, so we will need to replace her.

As far as our SES positions, they cannot be changed within the first 120-day period. That is up on December 4. We will be taking a look at those positions, and I will be working with my fellow Commissioners on any changes in our present AEDs.

Senator FORD. Is it true that you have several vacancies in top engineering and compliance positions?

Ms. STEORTS. Catherine Cook was just appointed as AED for compliance.

I have made a recommendation to my fellow Commissioners for a person to fill the jobs as the Director of Public Affairs, and they will be getting back to me shortly on that. And then the Director of Public Affairs will obviously want to have some say on the Deputy Director of Public Affairs.

Let me assure you this is a top priority. I expect to have most of these key positions filled within the next few weeks.

Senator FORD. Is congressional liaison more important than engineering people or compliance people?

Ms. STEORTS. Compliance is very important. Catherine Cook is AED for compliance. Engineering is a great interest of Commissioner Pittle's, and he is working with us on some recommendations for the engineering position. It's my understanding that that position has been open for a considerable amount of time, and we certainly will move to fill that soon.

But it's important that you recognize that many of the other AED positions are encumbered for 120 days, so we are going to take a look at the overall picture after December 4, and possibly move some of the AED's around into other positions. But I just do want to assure you that it is a No. 1 priority, and we will have these positions filled, just as soon as possible, with the appropriate people.

Senator FORD. I will finish this question, then turn it over to the chairman.

Could you tell the committee how many meetings you listed on the calendar before the meetings with outside groups?

Ms. STEORTS. How many meetings we had on the calendar? Excuse me, could you——

Senator FORD. You have a procedure for your personal meetings?

Ms. STEORTS. I will put that together for the record.

Senator FORD. Also please list how many you put on the public calendar, after the meetings.

Ms. STEORTS. I would like to comment on that, Senator Ford.

It is my very firm conviction that all meetings that I have with industry should be on the public calendar. I found, as a matter of fact, just recently, with a meeting with Mr. Dimkoff, of the chain saw industry, had not been listed on the public calendar because of a clerical error, and I canceled that meeting, because there had not been a 7-day notice for any interested parties to attend that meeting.

Senator FORD. A clerical error?

Ms. STEORTS. Yes.

Senator FORD. What is a clerical error?

Ms. STEORTS. My office reported to the Office of the Secretary that the meeting was to be put on the public calendar. And it was reported to me by the Office of the Secretary that inadvertently it had not been put on the public calendar.

I am very firm about this. I feel——

Senator FORD. Whose Office of the Secretary? Is that in your——

Ms. STEORTS. The Office of the Secretary is the office that takes care of administrative responsibilities, yes, and they take care of the public calendar.

But I want to assure you that I have a very firm order to my staff and to the Office of the Secretary that all meetings that the

chairman has with industry be put on the public calendar 7 days in advance.

Senator FORD. Of course, we have been alluding to what the Consumer Product Safety Commission does in this respect, in our endeavor to get the Federal Trade Commission to use the same kind of procedure. And I would hate for that procedure to be damaged in any way.

So, let me ask you that: If an outside party attempts to discuss the merits of a substantial interest matter with you at a luncheon or a reception, do you refuse to discuss it?

Ms. STEORTS. Yes; I do.

And I also encourage them to come to our office, schedule a meeting, and we would be delighted to talk with them. I think the openness policy of the Consumer Product Safety Commission is extremely positive, and I'm sure that the other Commissioners would agree with me. It's a good way for anybody—the media, the press, the public—to be involved in what's happening at the Consumer Product Safety Commission, because of our openness policy.

The other Commissioners may have some comments on this.

Senator FORD. What kind of logs do you keep, as far as participation and that sort of thing, for the agency?

Ms. STEORTS. With meetings that we have with industry or outside groups, the Office of the Secretary sends a representative to do a log, and then it is recorded within the Office of the Secretary records.

Senator FORD. What kind of log do you keep on the activities of the agency, of the goings and comings of yourself and other Commissioners?

Ms. STEORTS. You mean as far as——

Senator FORD. The use of the car.

Ms. STEORTS. The use of the car—it's my understanding there is no log kept on the use of the car.

Senator FORD. So there are no agency rules, as it relates to the agency car and chauffeur, or driver?

Ms. STEORTS. Well, the agency car is available for the use of the Commissioners or for other staff members, for business use. But we do not keep a log of where it goes. That is my understanding.

Senator FORD. You are boss, aren't you?

Ms. STEORTS. I am boss, sir.

Senator FORD. So you don't want a log on the goings and comings, or don't you have some—if somebody just wants the car, they just run down and get in it and go someplace? And if somebody else wants it, it's not there?

Ms. STEORTS. That is all logged—excuse me. That is all arranged through the Administrative Office.

Senator FORD. So the Administrative Office would have a log, then, of some kind?

Ms. STEORTS. It's my understanding that the arrangements are made through the Administrative Office, Senator Ford.

Senator FORD. Do you make your arrangements through that office for your car?

Ms. STEORTS. I don't have a car.

Senator FORD. You have the use of a car, don't you?

Ms. STEORTS. Excuse me. It's made through——

Senator FORD. You need to get this out. I'm being adversarial here, with a smile on my face, and you know it.

Ms. STEORTS. Senator Ford, it's my understanding we do not keep a log. But if it's appropriate for us to keep a log, I guess we certainly could consider that.

Senator KASTEN. I think you're probably keeping more than enough records the way it is.

Ms. STEORTS. Excuse me, Senator Kasten?

Senator KASTEN. I think you're probably keeping more than enough records, the way it is.

Can I ask a couple of questions?

Senator FORD. I've had my 20 minutes.

Senator KASTEN. You've had your adversary 20 minutes?

Senator FORD. I'll get back.

Senator KASTEN. I understand—and I want to once more try to get a candid opinion—because I understand there's been some disagreement among all of you.

The decision has been made, I guess, or at least it was recommended, that you could save—what, did you say? $400,000, $500,000 by moving?

I understand that many of the Commission's employees are moving to the Bethesda location. I wonder if you could explain the changes that are going to be taking place, and the reasons for the move.

And at the same time, I understand that this has been a controversial issue among the group of you, and also among a number of employees. I just want to kind of get a sense of what's going on.

And I would ask for—Nancy, maybe you want to respond to it briefly—but if anyone else has some comments about that. Is this the result of that recommendation that the space consultant—whatever his name is—made? Is that right?

Ms. STEORTS. Yes.

Senator KASTEN. And this is a recommendation that had been made in the past. Is that right? Well, I didn't know that.

But you're going to move, and it's controversial? How is this going to work and—I guess, Stuart: Particularly, is this going to have even more of an effect on the morale that you were talking about before?

But let's just start with Nancy, and we can chat about it.

Ms. STEORTS. Senator Kasten, this was a very difficult decision. I know Commissioner Statler, Commissioner Sloan, and Commissioner Zagoria were much involved in this before I came.

It is my contention—and I'm speaking personally now—that the staff and the Commissioners really need to be together. On the other hand, it is a contention of some of the Commissioners that we also need to keep a Washington presence.

Senator KASTEN. This is a suggestion that Bethesda is not a Washington presence?

Ms. STEORTS. That's right. A Washington presence, so that the hearings can be held in Washington—excuse me, a downtown Washington presence.

Senator KASTEN. I understand.

Ms. STEORTS. That meetings with industry are easier held downtown, meetings with consumers are easier held downtown. So, it

was a very tough call. My personal recommendation was that we all move to Bethesda and keep a Washington downtown presence.

Commissioner Pittle also felt very strongly, on the other hand, that everyone move to Bethesda; that we not have a downtown Washington presence. The other three Commissioners felt otherwise.

Let me say this. I understand the point of view held by the other three Commissioners, that we do need a downtown presence. We are doing everything in our power to work with GSA, to see if we could consolidate all of us together in a downtown office. The price at this point is very prohibitive. On the other hand, I mentioned to Jerry Carman just recently that there might be an opportunity for two small agencies to consolidate spacewise. This would give the other Commissioners what they want, and our staff what they want.

As Chairman, I will be spending a great deal of my time in Bethesda, because that is where the staff is, and that is where I feel I belong, as a manager of the agency. So I'm going to have to keep my office space in Bethesda and also work out there much more than I have in the past.

I would like to say, too, that each of the Commissioners have a small amount of space in Bethesda, so that we can be out there more than we have been in the past. It's a tough call. I can understand their points of view, and I think that they will probably want to speak for themselves.

We have saved a great deal of money as a result of the impending move. But we're still not together with our staff, which I think is indeed unfortunate.

Senator KASTEN. It just seems to be commonsense that if all of you can be in one place, it's better. Now, I'd guess you would probably all agree with that, as long as that one place would be downtown Washington. But it seems to me that we're ending up with a kind of a disjointed kind of an operation, with small offices out here, offices down here, legal staff and whatever going back and forth.

But let me give all of you a chance to respond just briefly to this question.

Mr. STATLER. I'll try and be brief.

Obviously you are right. In the ideal situation, if the Commission could be in one place—ideally downtown—that would be best.

Back in 1973, GSA gave us a bad deal. They separated the Commission. They put the Commissioners downtown, some other offices downtown, and the bulk of the rest of the Commission in what really amounts to inferior, nonprofessional space. It's basically an apartment house out in Bethesda. It's not conducive to professionalism and good work.

There has been an attempt over the years——

Senator KASTEN. The Bethesda location is not conducive to——

Mr. STATLER. I think that's correct, sir. You go into the lobby, you have people carrying——

Senator KASTEN. This has been existing since when?

Mr. STATLER. Since 1973.

Now, we have tried to deal, on the one hand, with the separation and considered what it would mean in terms of agency morale, to

bring everyone together. And on the other hand, we felt, or some of us felt, very strongly that there was a real need to be downtown near the Congress, near the White House, near our sister agencies, near the industry groups we deal with, near the consumer groups we deal with, near the State and Federal representatives we deal with.

So, competing considerations have led us at least for the time being to maintain a minimal presence downtown and still maintain the bulk of our staff out in Bethesda, because GSA won't move us anyplace else. But we made the decision with the recognition that if this does not improve the situation, we may either have to move entirely out to Bethesda, or put further pressure—whatever pressure we can summon up, or that you're willing to help to add to our strength—to get GSA to finally bring us together in one place, to permit the proper kind of management that the Chairman has spoken of.

Senator KASTEN. Why is it so necessary that you be downtown?

This kind of reminds me of the Energy Department trying to move into L'Enfant Plaza.

Mr. STATLER. Well, for example, we spoke earlier of our openness policy. We want consumers and we want industry to come to our offices. We want the press to come to our offices and to our meetings. We have been told that if we're entirely out in Bethesda, they're less likely to come. We have literally had the press ask us to switch meetings from Bethesda to downtown.

Senator KASTEN. You're not saying the reason for location of offices is the press?

Mr. STATLER. I'm saying it's the press, it's consumers, it's industry, it's other Government agencies that we deal with. It's the White House and it's the Congress.

Senator KASTEN. OK.

Edith, do you want to comment just briefly?

Ms. SLOAN. OK. Very briefly. I don't think that the Commission, truthfully, could have survived the latest attack on our existence, had we been out in Bethesda. That is a distant location. Unless you drive, it certainly doesn't have good public transportation. It's not near a subway.

I think that because this is a small agency, and relatively powerless, that we have been placed in this untenable position of being separated. They don't do this to very large agencies. They might have an administration which is part of an agency in another building, but they wouldn't have the bulk of the staff away from the executive body.

Senator KASTEN. That's just the point. I guess what I'm suggesting is that you shouldn't be separated.

Ms. SLOAN. We shouldn't be.

Senator KASTEN. But what you're saying is—it seems to me, at least, that a number of you are saying it's better to be separated, as long as part is downtown, than it is to be together in one place, if that one place happens to be not downtown. Am I understanding you properly?

Ms. SLOAN. I think it would be very difficult for the Commission to carry on its activity in all the realms—and that includes the

political realm—if we were stuck out in Bethesda. I'll be very honest. I think that we have to be here.

I believe in the last few months that has become extremely evident to all of us, that we need a downtown presence, we need to be close to consumers, to industry, to press, to the Congress. And if we hadn't been here this past year, if we had been out in Bethesda, I truthfully don't think we would be here. We have had to do quite a bit to make sure that we continue to exist.

I believe all of us on the Commission believe in the concept, so it has been important to us even though we will be moving on soon. Dr. Pittle will be moving on soon. I'll be moving on soon. We believe in the concept and we want to continue the concept. I don't think you can do that when you are stuck out in the hinterland.

I believe that you need to be where the action is, and the action is downtown D.C., it's not in Bethesda.

Senator KASTEN. Sam?

Mr. ZAGORIA. I think it's important to get this in perspective. The truth of the matter is that since almost the very beginnings of the Commission, it's been not in one or in two places in the Washington area—it's been in four.

We have laboratories out in Gaithersburg. We have another lab down here, in Southwest Washington. It has never been under one roof.

Now, well before Nancy Steorts was added to the Commission, there were a number of us—and we're pretty good at squeezing a nickel or two, when we can, to try to put it into more gainful employment than merely buying office space. We were trying to reduce the amount of space that we had in downtown Washington, and transfer people and functions out to Bethesda, which was a lower priced area.

What is left now in the Logan Building is only one floor plus one conference room. It's not as if there's a big complex in downtown Washington that the Consumer Product Safety Commission operates. That's all there is. And tomorrow morning we will all be out at a Commission meeting in Bethesda. What we try to do is to alternate our formal Commission meetings between downtown Washington and Bethesda, so that the staff knows that we're very much involved in what they're doing.

Occasionally we make things—we try to arrange the schedule in such a way so that if there are large numbers of Bethesda people involved, we can hold that meeting in Bethesda and reduce the back-and-forth.

But the truth of the matter is that there has been a tremendous reduction in the downtown office space. If there were some miracle, fiscal miracle available that would enable us to take the labs in Gaithersburg and the lab in southwest Washington and the offices in the Logan Building and the offices in Bethesda and put them all under one roof, I think that would be a real contribution to effective management.

Senator KASTEN. This isn't a problem that just turned up in the last couple of months. It's been something you've been struggling with for the last several years, since 1973. But it just seems to me that being split presents a real problem. I am sure it's a difficult call or a close call. But it seems to me that being in one place is

more important than being in a particular location. But that's just a personal view, a personal feeling.

Nancy, you said that the Commission has decided to eliminate the Office of Media Relations, and instead you have established an Office of Public Affairs. Is that right?

Ms. STEORTS. Yes.

Senator KASTEN. Could you just chat about it for a minute, about public affairs, media relations. Is that just a different name for the same job, or are you expanding the job and changing it?

Ms. STEORTS. It's a different concept, Senator Kasten.

We have abolished two directorates. One is the Directorate of Communications and one is the Directorate of Field Operations.

Senator KASTEN. You've eliminated those two jobs?

Ms. STEORTS. Yes, sir, those two directorates.

In the place of the communications directorate, we are putting a Directorate of Public Affairs, which will provide greater outreach to consumers, business, and industry, Federal and State and local authorities, and to the media. The implementation of the national programs, set up through the Office of Public Affairs and through our outreach effort, will be done at the grassroots level, through our five regional field offices which will have counterparts of the Office of Public Affairs in those regional offices.

It will provide a greater multiplier effect, and we think it's going to be an exciting new approach to communications.

We have continued to keep our correspondence division, which has been transferred from the communications directorate to the Directorate of Administration, and we have continued to keep the hotline, which is extremely important to us at the Commission. We will be working with less people and we think they will be extremely effective working in this way. And it also will bring our field people much closer to us.

The field will now report directly to our Executive Director. And we have eliminated one whole directorate, which we think is effective.

Senator KASTEN. Those people are going to be in the five regional offices? They don't have anything to do with the district offices, is that right?

Ms. STEORTS. That's correct.

Of course, as we move toward our 1983 budget, we're hoping to be able to put some more people into the field, but we don't know at this point.

Senator KASTEN. I think it's fair to say that the 1983 budget is probably going to be close to this budget. I think it's unlikely that we're going to see any increases in the agency, that the struggle is going to be probably to basically hold the same level.

In another hat, I sit on the Budget Committee and also the Appropriations Committee, and we're looking at a deficit of $60 or $70 billion, so I don't think it's likely that we're going to see any increases in funding for any of the Government agencies—not the Consumer Product Safety Commission; I'm just talking across the board. We're going to see cuts.

Senator Ford?

Senator FORD. Thank you, Mr. Chairman.

Madam Chairman, I have been a strong advocate of the Commission for a long time and have attempted to do what little I could to try to improve the existence of the Commission and to improve the direction and the concept of the Commission.

Not to seem picky—and I know I have—we were coming into the quote I read earlier in my statement that the administration thought the cost of the agency would be greater than the benefit to the consumer. Therefore, they wanted to abolish the agency.

And the newspaper allegations after your first days in the office on making life more comfortable at work, the use of the car, the perks of office, lent itself to those who wanted to abolish your agency.

Now what I would like to do—and I will not ask another question about it this morning—is to give you an opportunity to refute that and show how important it was and that you haven't abused the perks of office, so that we can say to those people who have used those newspaper clips forever on you now, that you have an opportunity in a public forum to say why you made life more comfortable at work in face of the agency's budget cut so you can get on with the business of running the agency.

If we don't clear that air today, we're going to be living with those stories for some time. And I'd like to get those behind us, and I'd like for you to get those behind us.

I'm not trying to be picky; I'm just trying to eliminate that problem so we can get on with the agency, because I think the Chairman has been a little bit coy, but I think you can read between the lines this morning. He doesn't expect you to get more money next time.

So, would you kindly do that for me—so we can get it on the record.

Ms. STEORTS. Senator Ford, I would like to put this behind me as well.

Senator FORD. I want to. That's the reason I've called for the hearing, so we could.

Ms. STEORTS. I appreciate that. My major challenge as Chairman of the Consumer Product Safety Commission is to protect the consumer, and I would like to think that the committee and my fellow Commissioners would look at what we are doing substantively. And I also would like to assure you that I am a good manager. I certainly have no desire to spend money for frivolous things. That was not my intent, sir.

And so if we can put this behind us, I certainly would like that. I feel that the Consumer Product Safety Commission, now that we have finished our reduction in force, has a very solid future. We are working with a $32.9 million budget which I think we can live with. We have to economize.

I certainly, as the leader of this Commission, will do everything in my power to economize. But let me assure you, there will be no frivilous expenditures at the Commission. That was never my intention. I merely maintained the office. I have not misused the car. All I can do is be sincere and tell you that I will do the best I can possibly do as Chairman to make sure that this agency protects the consumer, which is really what we're all about.

Senator FORD. My daddy always told me, never underestimate the insignificant.

I have some questions that you could not specifically answer at your nomination hearing because you wanted to have firsthand experience at the agency. Now that you've been on board for 4 months, I would like to repeat some of those questions I asked you then.

What specific changes to the 1983 budget request did you suggest, and has that proposal already been sent to OMB?

Ms. STEORTS. To the 1983 budget? Senator Ford, I will give you specifics for the record.

We did the 1983 budget very shortly after we finished our 1982 budget. One of my major recommendations was to add some more people to the field. I feel very strongly that the field is a very important and integral part of this agency. We use it for investigations, enforcement and also for outreach.

Senator FORD. Is that a request for additional money?

Ms. STEORTS. That was a request within our $32.9 million budget.

Senator FORD. And that will be your 1983 request—$32.9?

Ms. STEORTS. Yes, sir. We made a minimum level request for $32.9 million, but our request was for $35 million.

Mr. ZAGORIA. Yes and no.

Ms. STEORTS. Commissioner Zagoria——

Ms. SLOAN. We disagree on that.

Mr. ZAGORIA. We were authorized, as you know, Senator Ford, $35 million for fiscal year 1983 and then it became a matter that the Commission had some differences internally on—has proposed a $32.9 million with an enhancement that goes up to $35 million. It has been the experience of people who dealt with Appropriations Committees, when you label something additional as enhancement, it's very likely to feel the knife first before anything else. So that what really emerged was a budget proposal for fiscal year 1983 which was $2 million below the amount in the authorization.

Commissioner Sloan and I opposed this and wanted to send forward to OMB and to the Congress a $35 million budget.

Ms. SLOAN. I believe the $35 million was the request level, but $32.9 million was the minimal level. Nevertheless, as Commissioner Zagoria said, both he and I agreed that if we even sent something up that says $32.9 million, that's what we are going to get.

Senator FORD. Or less.

Ms. SLOAN. Or less. And that was my exact argument last January. I wanted to go with the congressional mark, and I was outvoted 4 to 1, and we ended up with $32.9 million.

Senator KASTEN. I didn't understand. I thought the two of you were together. You were outvoted 4 to 1?

Ms. SLOAN. That was 1982's budget.

Senator KASTEN. You were trying for more money all along.

Mr. ZAGORIA. She converted me.

Ms. SLOAN. I won him over.

Senator KASTEN. You just want to say that you're not new to this side.

Ms. SLOAN. No. This is my original argument.

Stuart?

Mr. STATLER. May I speak to that point, because my own view is that Commissioner Zagoria has misstated what actually happened.

We did submit a $35 million budget, which was the amount that Congress authorized us for fiscal year 1983. OMB had indicated that our mark was $32.9 million, so we indicated to OMB not what our enhancement level was but what we liked to have. What we said was, if you decide that you're not going to give us any more than that mark of $32.9 million, this is how we would suggest the funds be spent at $32.9 million.

But we did submit a $35 million request, which was the amount that Congress authorized.

Senator KASTEN. So it's just a matter of interpretation.

Nancy, do you want to comment on that?

Ms. STEORTS. Yes. I agree with what Commissioner Statler said.

The other thing that I should point out also is that a great deal of emphasis was put on the emerging hazards program. I feel very strongly that we need to concentrate more on the new products that are coming on the market. If we can move into those areas quicker, I think we can help the consumer much faster and also save a lot of tax dollars in the end.

Section 15 is another area of great concern to me and we have added emphasis in this area. I think you will see that that will become much more apparent, not only in fiscal year 1983 but also in 1982.

We will be coming back to the Senate Appropriations Committee in January to discuss our data collection resources, particularly, Neiss. I am concerned that we utilize our data collection resources much more effectively than we have in the past, not only Neiss, but also the hotline. We spend about $230,000 on the hotline and get about 300,000 calls coming in, and I think this is a wonderful resource for us that we can be utilizing a lot more effectively than we have in the past.

Senator KASTEN. You get 300,000 calls.

Ms. STEORTS. 300,000 calls come in on the hotline annually. But these are some of the areas that we're focusing on. We will be discussing the budget more specifically over the next few months, and we will be addressing these issues on a continuing basis.

Senator FORD. Madam Chairman, you apparently have priorities, and you reflected those priorities, I guess, in your budget suggestions or changes in the budget.

Can you specifically give me your top priorities—let's say, the top five?

Ms. STEORTS. Yes, Senator Ford, I'd be glad to.

Emerging hazards is one. Section 15 is two. The outreach effort is extremely important to me. The compliance and investigation area is also important. As are data collection, resources.

Senator FORD. Well, you put No. 2, then, section 15?

Ms. STEORTS. Yes, I did.

Senator FORD. I agree. Approximately 600 products, I think, and that figure may have changed some. But that was the last figure I had that had been taken off the market. As I recall, only four or five—all but four or five were removed on a voluntary basis. Am I basically correct by that statement?

Ms. STEORTS. Eleven or twelve, my Director of Compliance states.

Mr. ZAGORIA. Eleven or twelve over all the years. In terms of the 1 year which you were referring to, it's probably zero. In recent days, they have all been voluntary. We haven't issued a complaint in a long, long time, so that the mandatory process for recall hasn't taken place. Maybe it should have, but it hasn't.

Mr. STATLER. We've issued complaints, but we've negotiated settlements.

Mr. ZAGORIA. Right.

Senator FORD. Well, what is the status of companies voluntarily reporting under section 15? Has it risen, since we're now in a new era of cooperation, or are fewer people reporting, Madam Chairman?

Ms. STEORTS. Senator Ford, unfortunately the reporting is down, and we are concerned about this. This is an area that frankly I feel we need to take a harder look at. We need to work with industry much more on this area to see what the problems are, because, it's a good mechanism for them, and most importantly it's a tremendous mechanism for the consumer to get these recalls taken care of a lot faster. So we will be putting emphasis on this as a Commission.

We have directed the compliance staff just last week to report to us 30 days on what's happening in the recall area, and we will be monitoring this very, very closely over the next few months.

Senator FORD. Of course, as I see it, this is your key enforcement area.

Ms. STEORTS. That's true.

Mr. STATLER. May I comment on that, because particularly as our inspections are down and as our ability to do in-depth investigations are down, we're going to depend much more on firms notifying us pursuant to their section 15 responsibilities as to any defects or unreasonably dangerous products that they have on the marketplace.

Over the last 3 years, the average number of reports we have received is 155 a year—155 a year. We would expect by our most conservative estimates, given the number of firms that are out there and the estimates of what kinds of problems they would have, to receive 500 reports a year. By our more liberal estimates, we would expect to receive 10,000 reports a year.

So there is something woefully wrong, at least threefold wrong and perhaps far more than that in terms of firms not reporting to us with respect to defects and unreasonably dangerous products that are out in the marketplace. We've got to do a better job letting firms know of their responsibility. We hope now that firms have a greater familiarity with how we do business and the fact that we're not going to go after trivial concerns but only the most serious concerns, that they will trust us with the information as to the problems they have. But we've got to have a better system of responsibility on their part to report and our part to take timely action to deal with those reports.

Senator FORD. One, you're having a reduction of staff and the ability to do things. Are you saying to me you think industry is becoming lax in reporting? Is that what you're inferring in your statement?

Mr. STATLER. No; I don't think it's related to the budget cuts.

Senator FORD. You've got a voluntary method. Is industry now, after it's been put in force, been lax in reporting products?

Mr. STATLER. I believe industry has been lax since the outset, based upon what our best estimates are about the nature of the problem out there and based upon, I must say, some of the timeliness actions we've had to bring. And we're discussing one more of those tomorrow that is quite serious.

Senator FORD. Madam Chairman, you said you expected to have a 30-day report?

Ms. STEORTS. Yes.

Senator FORD. Could you send a copy of that also to the committee?

Ms. STEORTS. We would be very pleased to, Senator.

Senator FORD. And one to my attention.

If she sends one to my attention, I may get it, but not the same time you do.

Ms. SLOAN. Senator Ford, if I could interject here.

Senator FORD. You can do anything you want to.

Ms. SLOAN. I agree with Commissioner Statler that indeed industry has been lax in reporting recalls, especially in a timely way. I believe now that there is at least the idea that the Commission is less able to handle the various problems that arise, that it may continue to be more so.

I sort of look to consumers to try to fill some of this void. I think consumers are going to have to start screaming loud and clear. I hope our hotline incoming calls will just about double, because that will be necessary if we are ever to find out how many problem products there are out there.

Senator FORD. You could easily have doubled the ability for input from the consumer. Your cost for 300,000 calls was $200,000. That, to me, would indicate a wise expenditure of funds.

Mr. ZAGORIA. Could I add a little something there?

Senator FORD. Sam, I would never deny you.

Mr. ZAGORIA. You're very generous, Senator Ford.

Senator FORD. I'm willing to stay a long time. I don't know how long the Chairman can stay.

Mr. ZAGORIA. We're at your pleasure, Senator Ford. I won't comment on that.

One of the problems with requiring industry to make reports about possible defects is that many times they resolve differences of view about whether something constitutes a possible hazard on the side of, "Well, maybe it isn't, and we ought to wait and see ——

Senator FORD. Is that one of those minor things that Mr. Statler talked about?

Mr. ZAGORIA. It's very speculative, how many reports we're not getting. I can pull a figure almost out of the air. How can you tell what you're not getting? There is no real way to put your finger on that.

But one of the things I think that's crystal clear is, that if we're thinking about keeping them honest, which is one of my major concerns, we've got to have other avenues for getting information about hazards other than from the companies themselves.

Companies understandably might occasionally resolve a question of whether it is or it ain't in favor of it ain't. But if we have our

continued access to reports from emergency rooms of hospitals, to coroner's reports, to medical examiner's reports, to adequate field office coverage, to press clippings, to all of these many avenues in addition to the hotline and correspondence, then when the companies know that we have these other avenues producing information on individual products that they may be producing, they are more likely, it would seem to me, to file the required reports under the law.

So what it again comes back to is the ability to carry forward with an organization that's credible, that industry believes, "We have got to do it because they have got these other resources for information, and they're not limited only to whatever we choose to bring forward to the Commission."

Senator FORD. Madam Chairman, I understand you represented the Consumer Product Safety Commission at a meeting where the decision was made to eliminate the interregulatory liaison group; is that correct?

Ms. STEORTS. Yes; I was at that meeting.

Senator FORD. This group which coordinated chronic hazards activity was cited by the Senate Government Affairs report on regulatory agencies as one of Government's best efforts, I think, in cooperation between agencies and the avoidance of duplication. Should all the Commissioners have been advised before this action was taken, and maybe participated in the decision which you represented?

Ms. STEORTS. Senator Ford, I would like to say that I did not agree with the decision to abolish the IRLG. I feel that the IRLG was an extremely important resource to the Commission and that decision was made, frankly, by the majority and I fought very hard to keep the IRLG. I feel it was extremely important as a resource to the Consumer Product Safety Commission. I think we have to look at where we go from here, and it now behooves us as an agency to really work very closely with our sister agencies in continuing the cooperation we've had in the past.

Senator FORD. What was the reason for dismantling this group?

Ms. STEORTS. The basic reason, Senator Ford, as I understood it, was that the other administrators felt that they didn't want all the layering that went underneath the IRLG. They felt it was important to get together as administrators, as chairmen, et cetera, but they felt it was costly and something they didn't need to be involved with.

I continue to support a cooperative effort with our sister agencies, and we are doing this with FDA, EPA and OSHA. I know it's extremely important to our AED for Health Sciences, Peter Preuss, that we continue these relationships concerning chronic hazards. We now have to look for new ways to do that. But I understand your concern. I am also concerned.

Senator FORD. Have you had any meetings since that time?

Ms. STEORTS. There was one meeting. As you know, being an independent regulatory agency, we cannot be involved with anything that is sponsored by the White House. I can only now be involved as an individual member. I am looking for other ways to have other cooperative efforts where we can really work on issues that are important to us.

Senator FORD. Did you discuss with the other Commissioners the demise of this group? Did you discuss with them what should be brought up at the meeting following the demise of the group of the other Commissioners?

Ms. STEORTS. Yes; I did. I reported this to the other Commissioners.

Senator KASTEN. Could you yield for just a minute?

Senator FORD. Yes.

Senator KASTEN. The fact that the IRLG has been eliminated, rightly or wrongly, leads me to believe that the use of the chronics panel that we put in the reauthorization bill will become more important. In other words, that becomes even more important, possibly, depending on how that works out. Can any of you comment on that? Have you had enough experience with that to know whether or not that's going to work? Or is it too early to comment?

Theoretically—you understand what I mean? Theoretically that should increase the importance of that.

Ms. STEORTS. Yes.

Mr. ZAGORIA. When this information was given to us about a week or so after the demise of the interagency regulatory liaison group, we were told in a memorandum from Nancy that the substitute agency for this would be an interagency science health coordination group, chaired by the Director of the Office of Science and Technology Policy in the White House. I don't know whether they have actually met since then. There has been no report to us from the Chairman that I'm aware of, or what was taken up.

One of the problems that we have is this: whenever the Chairman, or for that matter an individual Commissioner, represents the Commission with an outside agency, how to create an effective mechanism for first deliberating amongst the collegial body in order to formulate a Commission position, and also to report back afterward. And this White House group, although Nancy has indicated she is not there as the Chairman, but in her capacity as an individual, I'm not sure how that works or whether they've met or what they're doing, and frankly, I'd love to know.

Senator FORD. Did I understand you, Madam Chairman, that you had attended a meeting since this group was dispersed or eliminated?

Ms. STEORTS. Excuse me, Senator Ford. I didn't hear you.

Senator FORD. Did I understand you to say that you had attended one meeting since the elimination of this group?

Ms. STEORTS. There was one meeting, Senator Ford. No CPSC issues came up. I have been very strong in my conviction that the Consumer Product Safety Commission is an independent regulatory agency and cannot participate in this. I can only be there as an individual observer, which is obviously not the same as being there as chairman of an agency representing a commission.

Senator FORD. How did the previous chairmen attend the meetings?

Ms. STEORTS. I do not know that, sir.

Senator FORD. It seems to me, Mr. Chairman, that we have seen the demise of a very important group, for whatever reason it might be. We hear so much about overlapping of Federal agencies, and this was a coordinating group to eliminate that. And now we've

seen this go down the drain, and you say you cannot go as Chairman of the Commission. You have to go to an ad hoc meeting, or whatever it might be, as an individual. That doesn't make a lot of sense to me.

And it seems to me when you get into the areas of concern of the general public, and one of the things we hear so much about is that the right hand doesn't know what the left hand is doing, and we're both doing it to the same people out there, it appears to me this group was very important. And I just don't understand why they voted to disband, and you said because they could not participate in any direction of the White House. Now, that doesn't make good judgment to me.

Mr. STATLER. If I may——

Senator FORD. I think we have really lost something here very patently.

Mr. STATLER. I think it's very important to understand, and our own staff tells us this, there are still continuing discussions going on at the staff level which, after all, was probably the most important level in the IRLG anyway.

Senator FORD. I thought the boss ought to know what's going on, though, at some point.

Mr. STATLER. I agree with you. It would be helpful to have the principals getting together. But at least there is still coordination going on so far as we're told by our own staff who has always participated in the past. There still is that coordination, that exchange of information. It's no longer called IRLG, but the informal channels were set up in the past and they're continuing.

Senator FORD. I have not heard an answer, though, why the group was dismantled, except that you could not participate in any direction which the White House wanted to go on. That doesn't make a lot of sense to this country boy.

Ms. STEORTS. Senator Ford, let me clear this up a little bit. The previous Chairman, it's my understanding, attended IRLG meetings on behalf of the CPSC. The new group, which is different from the IRLG, is chaired by the White House. And it was the position of counsel—Margaret Freeston, who might want to speak to this issue—that because it was chaired by the White House, that the Chairman of the Consumer Product Safety Commission could not participate as the Chairman. That was the advice that I was given by our counsel.

Margaret, do you want to speak to that? But I agree that the IRLG should have been continued.

Ms. FREESTON. Senator Ford, the previous group, the IRLG, which the Commission participated in, was an entirely different kind of group. It was a group of the heads of various agencies. The Chairman of CPSC did fully participate in that, after having discussions with the Commissioners.

Senator FORD. At open meetings?

Ms. FREESTON. Some of the meetings were closed meetings.

Senator FORD. Some were open?

Ms. FREESTON. I believe some of them were open. There was extensive staff involvement as well. Chairman Steorts went to the first meeting of the IRLG after she became Chairman of CPSC, and at that meeting the group decided to disband the IRLG and form

an entirely new group. So Chairman Steorts, although she disagreed with that, was part of the group that made that decision.

Senator FORD. I understand that part of it. But I want to know why the administration disbanded it.

Ms. FREESTON. We have no way of knowing that.

Senator FORD. Mr. Chairman, I would ask you, since you are the chairman of this group, that you find out why.

Senator KASTEN. I will do that.

Senator FORD. Please ask the administration why they have dismantled this important group that at least gave us an indication of an effort to try to coordinate the agencies that are after the manufacturer every day. I thought it was to eliminate the duplications, and now I find that they are eliminated.

Senator KASTEN. On behalf of the subcommittee I would like to thank you, all of you, for your participation here. I think it's clear that we have got a new agency, or at least new leadership. We've got a new administration. We've got budget cuts that are going to be difficult to work with. But it's most important and clear that we're going to be relying upon cooperation from industry groups and the private sector, as well as on the consumer groups. And I think that we're going to see a greater reliance on action on behalf of all of these different sectors in working with the Consumer Product Safety Commission.

We are going to be doing this on an ongoing basis, having review sessions in our oversight responsibility. I very much appreciate your participation here this morning. The record of this hearing will be held open so that the members of the subcommittee may submit questions to be answered for the record. I hope you will be able to get answers to those questions back to the committee within roughly 2 weeks.

I greatly appreciate your participation here this morning. Thank you.

Ms. STEORTS. Thank you, Mr. Chairman.

[Whereupon, at 11:50 a.m., the hearing was adjourned.]

[The following information was subsequently received for the record:]

QUESTIONS OF THE COMMITTEE AND THE ANSWERS THERETO

Question. Please provide a list of all of the Chairman's meetings put on the public calendar, including those that were listed after the meeting took place.

Answer. Attached.

Chairman Steorts meetings listed in calendar, August–December 3, 1981

CB Antenna Manufacturers	Aug. 10, 1981.
National Knitwear Manufacturers Association	Aug. 26, 1981.
Chain Saw Manufacturers Association	Sept. 10, 1981.
M & M Plastics	Sept. 14, 1981.
Bates Nitewear	Sept. 21, 1981.
Consumer Product Safety Network	Sept. 21, 1981.
American Retail Federation Luncheon	Sept. 23, 1981.[1]
American National Standards Institute	Sept. 24, 1981.
Public Meeting of Consumers Manufacturers, and Retailers of Power Lawn Mowers.	Sept. 28, 1981.
Public Meeting of Consumers, Manufacturers, and Retailers of Thermal Underwear.	Sept. 30, 1981.
National Association of Furniture Manufacturers	Sept. 30, 1981.
Chain Saws Manufacturers Association (reception)	Oct. 6, 1981.

Chairman Steorts meetings listed in calendar, August–December 3, 1981—Continued

American Industrial Health Council	Oct. 8, 1981.
Business/Consumer Dialog Session sponsored by Briggs & Stratton.	Oct. 15, 1981.
Addressed the District of Columbia Federation of Business and Professional Women's Clubs.	Oct. 19, 1981.[1]
Toy Manufacturers of America	Oct. 21, 1981.[1]
Attended Fall Furniture Market	Oct. 23–25, 1981.
California Society of Consumer Affairs Professional	Oct. 27, 1981.[1]
National Home and Furniture	Nov. 6, 1981.
Addressed Society of Consumer Affairs Professionals Luncheon	Nov. 12, 1981.
Addressed National Council of Housing Industry	Dec. 7, 1981.
Toy Manufacturers of America	Dec. 7, 1981.
Addressing Meeting of Toy Manufacturers of America	Dec. 8, 1981.
Legal Committee of the American Society of Association Executives.	Dec. 9, 1981.
Emerson Electric	Dec. 10, 1981.

[1] Did not receive advance notice.

Question. What were the Chairman's recommendations for the FY 1983 budget?

Answer. Shortly after I became Chairman, I made several recommendations for the 1982 operating plan. Among them were recommendations to improve outreach, increase the staff in each area office while we reduced the number of area offices, consolidate and improve the Commission's data collection mechanisms, and place more emphasis on emerging hazards.

Since consideration of the 1983 budget request, which was prepared before I became Chairman, followed so soon after making the 1982 operating plan final, I decided that it would be preferable to build upon my operating plan recommendations. However, I did recommend that the three top support program priorities be Compliance, Information and Education, and field activities. These were adopted by the Commission. During the agency's mid-year review, we will be able to assess the impact of these recommendations and determine how the programs and initiatives are working.

Question. What were the costs of redecorating the Chairman's office and suite?

Answer. Attached.

OFFICE MAINTENANCE—BREAKDOWN ON PAINTING AND CARPENTRY

Painting new door and removal of shelving: Total cost $3,100.

Cost from work order given by Phil Knight, Blake Construction, October 15, 1981:

Remove wall paper (620 sq ft)	$310
Remove shelving and disconnect electric lights on-shelf	125
Replace ceiling tiles	50
Paint walls (3,850 sq ft)	1,155
Paint 2d coat on accent walls in offices	192
Paint windows	50
Install new door and jamb	315
Paint new door and jamb	30
Paint 11 existing doors and jambs	330
Plus 17.5 overhead to contractor	543
Total	3,100

Breakdown of above costs:

Chairman's office:

Paint walls	$144.38
Paint windows	10.00
Paint door	30.00
Remove shelving	125.00
New ceiling tiles	50.00
Remove wallpaper	125.00
Overhead to contractor	67.88
Total cost	552.26

OFFICE MAINTENANCE—BREAKDOWN ON PAINTING AND CARPENTRY—CONTINUED

Staff offices:	
Remove wallpaper	$185.00
Paint walls	1,010.62
Paint 2d coat (accent walls)	192.00
Paint windows	40.00
Paint doors	300.00
Install new door and jamb	315.00
Paint new door	30.00
Overhead to contractor	475.12
Total cost	$2,547.74

OFFICE MAINTENANCE

Item and cost	Total	Chairman's personal office	Staff offices
Prepare and paint offices on the 8th floor (rooms 807–813 new corridor door)	$3,100.00	$552.26	2,547.74
EBY–785, Paulo brown embassy carpet	722.40	722.40	.....
EBY–786, Bogato beige embassy carpet	2,580.00	.....	2,580.00
16–329-Leather column lamp	135.80	.....	135.80
MA–11-Lamps [1]	(246.60)	.....	(246.60)
MA–19-Lamps [1]	(63.15)	.....	(63.15)
Install 70 square yards of carpet	67.90	67.90	.....
Remove existing carpet	59.50	59.50	.....
Draperies and installation, (conference room, reception area, chairman's suite)	2,751.07	1,409.20	1,341.87
Locks and keys	609.00	91.40	517.60
Locks and keys	91.50	.....	91.50
Refinishing of bookcases	1,210.00	.....	1,210.00
Totals	11,327.17	2,902.66	8,424.51

[1] Order canceled.